

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

June 24, 2013

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2014)
PETER AMONS, Vice-Chairperson, Employee Representative (term expiring July 1, 2016)
THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016) – via telephone
DAVID ROWLEE, Employee Representative (term expiring July 1, 2014)
ELIZABETH PEARCE, Vermont State Treasurer

Board members absent:

None

Also attending:

Matthew Considine, Director of Investments
Katie Green, Investments Manager
Rose Roberts and Don Dowell, ICMA-RC
Suzie Porter and Robert Roy, Fidelity Investments
Mark DiStefano, Attorney General's Office
Laurie Lanphear, Director of Retirement Operations
Tina Kaweck, Secretary to the Board
Monica Chiren, Assistant to Tina Kaweck, Secretary to the Board

The Chairperson, Steven Jeffrey, called the Monday, June 24, 2013 meeting to order at 10:00 a.m., which was held in the Governor's Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of May 22, 2013 and June 7, 2013

On motion by Mr. Amons, seconded by Mr. Rowlee, the Board voted to approve the minutes of May 22, 2013 and June 7, 2013, as submitted.

ITEM 2: Discuss/Act on disability retirement recommendation for:

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|-------------------|-----|
| • Harold Benjamin | New |
| • Peter M. Berger | New |

On motion by Mr. Golonka, seconded by Mr. Rowlee, the Board voted unanimously to accept the recommendation of the MRB to allow the disability retirement for Harold Benjamin, with no review.

Mr. Jeffrey indicated the Board did not need to take any action concerning Peter M. Berger, who was added to the agenda on Friday, since he has passed away.

(Ms. Pearce, Ms. Roberts and Mr. Dowell entered the meeting at this time.)

ITEM 3: Presentation by ICMA-RC

Ms. Roberts and Mr. Dowell introduced themselves to the Board members. Ms. Roberts provided a brief background of ICMA-RC.

ICMA-RC reviewed with the Board members the *Pay for Future Health Care Costs, The Vermont Municipal Employees' Retirement System (VMERS) Vantage Care Retirement Health Savings (RHS) Plan* document. ICMA-RC responded to the questions posed by the Board members. Ms. Roberts explained to the Board members that Meritain Health processes the claims that members submit relative to the RHS Plan. There was a discussion concerning the ICMA-RC website and the information that was provided to new retirees concerning this plan. Ms. Roberts reviewed the demographics of the plan with the Board members. The investment performance and fee structure was discussed. The Board discussed VMERS had to be funded at least 102% in order for another contribution to be made to this account. The Board discussed the \$25.00 health stipend.

(Ms. Roberts, Mr. Dowell, Mr. Considine and Ms. Green left the meeting.)

Ms. Pearce provided to the Board members the *Public Employee Pension Accounting Overview Governmental Accounting and Auditing Symposium* document which she used during the recent presentation she gave to the VCLT and the auditors. The Board discussed GASB 67 and 68.

(Mr. DiStefano entered the meeting at this time.)

ITEM 4: Discuss/Act on Town of Richford issue

On motion by Ms. Pearce, seconded by Mr. Amons, the Board voted unanimously to enter Executive Session at 10:47 a.m. pursuant to Title 1, § 313 for the purpose of discussing contract issues.

(The Board exited Executive Session at 11:32 a.m.)

On motion by Ms. Pearce, seconded by Mr. Amons, the Board unanimously voted to direct the Treasurer's Office Staff and/or the Attorney General's Office to write a letter to the Town of Richford to ascertain what the legal basis is for employees who were previously enrolled in VMERS to have now been removed from VMERS.

(Mr. DiStefano left the meeting.)

(Ms. Porter, Mr. Roy, Mr. Considine and Ms. Green entered the meeting at this time.)

ITEM 5: Defined Contribution Plan review by Fidelity Investments

Ms. Porter and Mr. Roy introduced themselves to the Board members. Ms. Porter advised the Board members she would present the demographics of the program and Mr. Roy would present the investment information.

Mr. Roy reviewed the investments with the Board members. There was a discussion concerning the recent performance of the stock market. There was a discussion about diversification. There was a discussion about the fund changes. There was a discussion about the reduction of fees. There was a discussion about the Freedom Funds.

Ms. Porter reviewed with the Board members the demographics of the program. Ms. Porter provided information concerning participants utilizing the website. There was a discussion how information is provided to members who do not have access to a computer. Ms. Porter reviewed the investments held by the participants. Ms. Porter discussed a breakdown of the plan assets.

(Ms. Porter, Mr. Roy, Ms. Green and Mr. Considine left the meeting at this time.)

ITEM 6: Any other business to come before the Board

Ms. Pearce indicated the actuarial meeting will be held in late October. Ms. Pearce indicated they will be conducting an RFP for actuarial services in November.

ITEM 7: Adjournment

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board unanimously voted to adjourn at 12:37 p.m.

Next Meeting Date:

There is no scheduled VMERS meeting at this time.

Respectfully submitted,

Tina Kaweck
Secretary to the Board